



Lodestone Exploration Limited

ABN 20 075 877 075

www.lodestonex.com

**ASX Release
16 June 2006**

**ASX Code
LOD**

The Manager
Company Announcements Office
Australian Stock Exchange Limited
10th Floor, 20 Bond Street
SYDNEY NSW 2000

**Lodestone Exploration Limited announces Renounceable
Rights Issue to raise \$2.35 million**

Lodestone is pleased to announce a renounceable rights issue (Rights Issue) to raise approximately \$2.35 million. The Rights Issue offers 4 new shares with 2 free attaching options for every 3 shares held at an application price of 3.8 cents per share. The attaching options have an exercise price of 5 cents and a term of 2 years. The Company will apply for the quotation of new shares and options on ASX.

The Rights Issue is fully underwritten by Patersons Securities Limited and Lodestone has incorporated a top up facility whereby eligible shareholders may apply for additional shares in excess of their entitlement at the issue price. Additional shares will only be available to the extent that other eligible shareholders do not take up their entitlements.

The funds raised will be used for drilling of targets on the Karinya zinc-silver project in South Australia and the Bocoolima gold-copper project in Central Queensland, to enhance targets near Mount Morgan, Cracow South and Limestone Creek and for working capital. Drilling will commence as soon as practical after completion of the issue.

A copy of the prospectus will be available on the Company's website www.lodestonex.com.

For further information please contact John McCawley on 0419 026 258.

Yours faithfully,

John McCawley
Executive Director
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